



INTERNAL AUDIT SUBSTANTIVE TESTING CLERK OF THE CIRCUIT COURT

April 5, 2004

Roanoke City Council Audit Committee
Roanoke, Virginia

We have completed our portion of the audit of the Clerk of the Circuit Court. Our audit work was performed in accordance with government auditing standards.

PURPOSE

The Auditor of Public Accounts (APA) is responsible for conducting annual audits of the Clerk of the Circuit Court. The purpose of the audit is to assess compliance with State Code related to the collection of fees and taxes, disbursement of funds, and funds held in trust. The APA and Municipal Auditing have established an agreement to equally divide the audit work for the Clerk of the Circuit Court. Municipal Auditing conducts one-half of the work in lieu of the City paying the APA for their services.

SCOPE

The scope of our portion of the audit consisted of testing civil cases, deeds, wills, and trust funds processed between October 1, 2002 and December 31, 2003. We conducted test work over a fifteen month period to coordinate our work with the APA and the turnover of the Clerk of the Circuit Court position.

METHODOLOGY

The APA provided an audit program with detailed objectives and attributes to test. Municipal Auditing randomly selected samples of civil cases, deeds, wills, and trust funds based on criteria set forth by the APA. The sample case files for deeds and wills were reviewed to verify collection of the proper taxes and processing fees as specified by the Virginia State Code. In addition, any special circumstances were noted that would affect the assessment of charges such as the pending filing of a will's final inventory that would require follow up in the following year's audit. Sample cases from the Clerk of the Circuit Court's No Action Report were reviewed to assess the processing procedures related to the three-year rule (VA Code §8.01-335). This rule provides that the court may order a case to be struck from its docket and all actions discontinued for any case that is pending, and there has been no order or proceeding, except to continue the case for more than three years. Testing in this area insures that cases are properly reviewed and disposed in a timely fashion. The sample of case files for trust funds was reviewed to verify the collection, disbursement, and the proper accounting and

processing of fees and interest as specified in the Virginia State Code. Analysis of these sample cases was performed to determine that funds entrusted to the Circuit Court Clerk were properly transacted, that interest was properly received and accounted for, and that funds were disbursed in accordance with court orders in a timely fashion.

RESULTS

In the portion of the test work that we performed, all areas met the criteria defined by the Auditor of Public Accounts (APA). The test of will processing indicated that wills were compliant with regard to state mandated fee assessment. The test of deeds indicated that deeds were compliant with regard to state mandated fee assessment. The test of the Annual Report accounts indicated that the Annual Report balances agree to the bank balance as of June 30, 2003. The test of cases related to the three- year rule indicated that procedures are in place and functioning to process and dispose of cases as docket time will allow. The test of Trust Funds indicated that new orders are deposited intact and on a timely basis, interest earnings are being properly posted to the trust fund accounts with correct commission fee assessments, and disbursements of trust fund monies appear to be in compliance with Virginia Code requirements.

CONCLUSION

We completed our portion of the APA audit program related to wills, deeds, and trusts. We noted no significant findings and have conveyed our work papers to the APA auditor-in-charge. The APA is responsible for issuing the final report, which is not yet available.

We would like to thank the management and staff of the Clerk of the Circuit Court offices for their cooperation and assistance during the course of this audit.

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